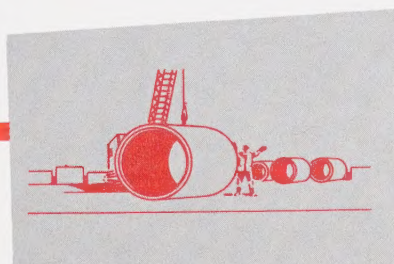
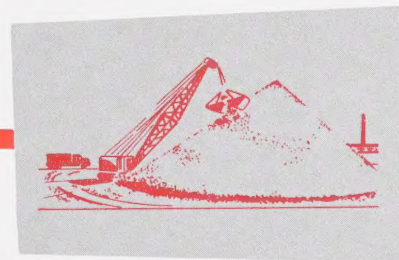
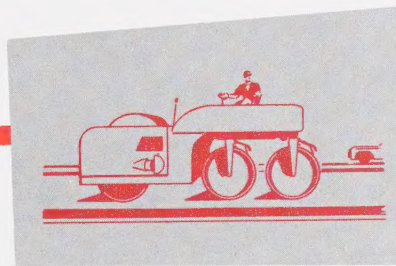
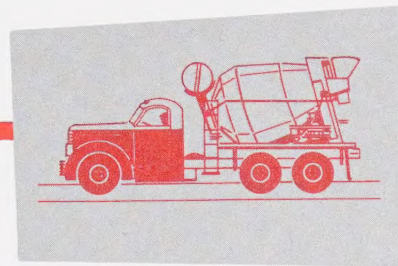


AR20

THIRTY-EIGHTH ANNUAL REPORT

# STANDARD PAVING & MATERIALS, LIMITED

and subsidiary companies



M A R C H 31, 1967





A portable crushing plant of Standard Paving Maritime Limited in operation near Baddeck, N.S. This plant produces the gravel needed for Standard Paving Maritime's contract to rebuild and pave 25 miles of the Trans-Canada highway in that area.



# STANDARD PAVING & MATERIALS, LIMITED

*and subsidiary companies*

## *Directors*

R. S. AIKEN	J. H. REID
J. B. HANLY	G. SCHOTCH
I. L. JENNINGS	J. A. SCYTHES
D. G. LAWSON	

## *Officers*

J. H. REID	<i>Chairman of the Board</i>
G. SCHOTCH	<i>President</i>
I. L. JENNINGS	<i>Vice-President, Aggregates</i>
T. D. JONES	<i>Vice-President and Secretary-Treasurer</i>
M. E. McRAE	<i>Vice-President, Concrete Products</i>
R. F. TITUS	<i>Vice-President</i>
E. J. WINTERS	<i>Comptroller</i>
E. J. HADDEN	<i>Assistant Secretary-Treasurer</i>

## *Registrar and Transfer Agents*

EASTERN & CHARTERED TRUST COMPANY

## *Auditors*

GUNN, ROBERTS AND CO.

## ANNUAL GENERAL MEETING

The Annual General Meeting of the Shareholders of Standard Paving & Materials, Limited will be held in the Library of the Royal York Hotel, 100 Front Street West, Toronto, Ontario, at Eleven o'clock, in the forenoon, Eastern Daylight Time, on Thursday, the 6th day of July, 1967.

# STANDARD PAVING & MATERIALS, LIMITED

*and subsidiary companies*

## AGGREGATES

CONSOLIDATED SAND & GRAVEL, COMPANY \*

GUELPH SAND AND GRAVEL, COMPANY \*

CITY SAND & GRAVEL LIMITED

- production at plants in Paris, Guelph, Malton, Stouffville, Pickering and North Bay of water-washed sand and gravel for use as aggregates in concrete products, precast and prestressed concrete, and ready-mix concrete; sand and gravel for road construction and railway ballast.

- plants in Guelph, Paris and Leaside producing a complete range of asphaltic concrete for the pavement of roads and streets, parking lots, driveways, etc.

NATIONAL SAND AND MATERIAL COMPANY, LIMITED

- the marine recovery of sand by the S.S. "Charles Dick" from underwater deposits in Lake Erie and Lake Ontario for use as aggregates by the construction industry.

## READY-MIX CONCRETE & BUILDERS' SUPPLY

CURRAN & BRIGGS READY-MIX LIMITED

RED-D-MIX CONCRETE LIMITED

S. McCORD & CO. LIMITED

NORTH BAY CONCRETE SUPPLY COMPANY LIMITED

- mixed concrete for use in the construction of bridges, roadways, sidewalks and buildings, delivered from plants located at Ajax, Brantford, Burlington, Delhi, Guelph, Hamilton, London, Milton, Niagara Falls, Oshawa, St. Catharines, St. Thomas, Welland, Metropolitan Toronto and North Bay.

- sale of gypsum products, vitrified sewer pipe, sand and stone, plaster, portland cement and other builders' supplies from warehouses located in Metropolitan Toronto.

- production at Hamilton of a complete range of asphaltic concrete for the pavement of roads, streets, parking lots, driveways, etc.

YORK BLOCK (A. Minghella Limited)

- production at a plant in Toronto of concrete and light-weight block steam-cured by the autoclave (high pressure) or low pressure processes. Sale of masonry materials and vitrified sewer pipe.

## CONCRETE PRODUCTS

CONCRETE PIPE COMPANY \*

- production at plants in Toronto, London and Sudbury of reinforced and non-reinforced concrete sewer and water pipe; perforated concrete drainage pipe; concrete man-holes; precast concrete specialty items; horizontal and vertical elliptical pipe; inner circle oval linings.

## CONSTRUCTION

STANDARD PAVING, LIMITED (Construction Division)

STANDARD PAVING MARITIME LIMITED

- road building, including street and highway paving, airport runway construction and sidewalk and curb installation, operating out of district offices in Toronto, North Bay and Hamilton, Ontario; Hull, Quebec; Halifax and Kentville, Nova Scotia.

\* divisions of Standard Paving, Limited

STANDARD PAVING & MATERIALS, LIMITED  
and subsidiary companies

HIGHLIGHTS OF THE PAST FIVE YEARS

		(thousands of dollars)			
	1967	1966	1965	1964	1963
Income for the year before income taxes . . . . .	587	2,326	2,044	1,573	1,439
Provision for income taxes . . . . .	445	1,177	1,039	760	643
	<u>142</u>	<u>1,149</u>	<u>1,005</u>	<u>813</u>	<u>796</u>
Minority shareholders' interest in income . . . . .	—	—	—	115	95
	<u>142</u>	<u>1,149</u>	<u>1,005</u>	<u>698</u>	<u>701</u>
Earnings per share . . . . .	14¢	\$1.12	98¢	68¢	68¢
Dividends per share . . . . .	62½¢	65¢	50¢	40¢	40¢
Depreciation and depletion . . . . .	1,729	1,820	1,177	1,004	977
Capital expenditures (net) for new plant, etc. . . . .	2,345	4,745	1,538	1,548	1,175
Working capital . . . . .	2,004	2,795	5,049	4,084	4,957



# STANDARD PAVING & MATERIALS, LIMITED

*and subsidiary companies*

## DIRECTORS' REPORT TO THE SHAREHOLDERS

We present the Thirty-Eighth Annual Report of your Company, together with the consolidated statement of financial position and related statements for the year ended March 31, 1967, and the report of the Auditors.

### Financial Summary

Total sales and construction revenues were approximately the same as in the previous year. The new subsidiaries acquired late in 1965 generated substantial sales, and the volume of construction revenues and sales of concrete products increased, but ready-mix sales declined severely.

The net income for the year was \$141,710 compared with \$1,149,351 in the previous year, decreasing the earnings per share to 14¢ from \$1.12. The earnings for the year before deducting depreciation and depletion and provision for income taxes were \$2,315,730 or \$1,830,684 less than those of the previous year. Depreciation and depletion for the year, computed on a straight line basis for certain assets, was \$1,729,020 compared with \$1,820,063 in the previous year, computed on the diminishing balance basis. The provision for income taxes was \$445,000 compared with \$1,177,000; the tax provision is greater than would normally be appropriate to the company's income before taxes, because losses in some subsidiaries could not be offset against profits in others.

Working capital at the end of the year was \$2,003,837, or \$791,433 less than at the end of the previous year. The heavy capital expenditures of \$2,344,673 during the year contributed to this decrease.

Dividends of \$640,185 on the 1,024,296 common shares outstanding amounted to 62½¢ per share and consisted of a special dividend of 15¢ per share on July 4, 1966, three quarterly dividends of 12½¢ each, and a quarterly dividend of 10¢ on April 1, 1967.

### Review of Operations

Although the year's operations started satisfactorily, profitability declined rapidly in the late summer and fall months of 1966. This was due partly to a severe falling-off in ready-mix volume accompanied by more intense competition for the business available, and partly to serious problems encountered in some major construction contracts. Labour relations and productivity suffered

as a result of the general atmosphere of disquiet induced by a number of widely publicized and generous wage settlements. The Government's fiscal inducements to lessen or defer business expansion together with heavy pressure on sources of credit, both also played their part in reducing your company's earnings.

### Capital Expenditures

Capital expenditures for the year amounted to \$2,344,673 compared with \$4,744,974 for the previous year. These represented, for the most part, commitments entered into in the previous year in continuation of the programme of modernizing and enlarging your company's ready-mix plants and fleet of ready-mix trucks, and included the replacement of obsolete ready-mix plants at St. Catharines and Oshawa with new modern plants. New gravel properties have been acquired to maintain our reserves at an adequate level and aggregates plants have been improved. Plant and equipment of the Concrete Products Division and the pool of construction equipment have been added to and upgraded. A fully equipped laboratory for quality control and testing of concrete has been built and is in full operation in Hamilton.

Capital expenditures at present contemplated for the current year are confined to normal replacement of equipment and plant improvements. However, plans are being prepared for the replacement of the outdated and inadequate Toronto concrete pipe plant by a new plant on a site already acquired for that purpose.

### Depreciation Policy

Your company has in past years followed the policy of providing for depreciation generally at the maximum regular rates deductible for income tax purposes on a diminishing balance basis. However, on this basis the heavy capital expenditure programme of the past two years would have imposed an unrealistically high burden of depreciation on the operations of the year ended March 31, 1967, with a corresponding fall-off in the next few years when capital expenditures might be expected to return to a lower and more normal level. Accordingly a straight line basis of depreciation at more realistic rates has been adopted in respect of all plant and equipment acquired since April 1, 1965. Maximum allowances will of course continue to be claimed as deductible for income tax purposes.



## Aggregates

Quantities of sand and gravel products sold increased by a satisfactory margin, taking into account the added capacity provided by the Stouffville plant acquired late in 1965 which has been integrated into your company's other operations. Sales prices improved, but not sufficiently to cover the heavy increases experienced in labour and other costs during the year. During the production season most of the plants operated at or near capacity, often on two shifts, and this necessitated an extensive and costly repair and maintenance programme. The S.S. "Charles Dick" continued to supply marine sand, principally to U.S. customers on Lake Erie, on a profitable basis.

## Ready-Mix Concrete and Builders' Supply

Ready-mix operations experienced a sharp drop in both quantity and dollar volume of sales in the summer and fall months resulting in a severe reduction in profitability. Price increases did little more than match the increased cost of materials; while reductions were achieved in other costs these could not be sufficient to offset the depressing effect of loss of volume. The concrete block plant operated satisfactorily this year and made an adequate contribution to earnings.

## Concrete Products

Earnings from concrete products showed another satisfactory improvement over the previous year as a result of a firming of the market. Demand for concrete pipe continues at a high level; our research facilities together with the continuing acquisition of improved pipe-making equipment have enabled us to keep up with the more and more severe specifications continually being required. We are still assessing our position in the "Deckon" sewer pipe project and a decision as to a course of action will be taken shortly.

## Construction

The volume of road building and paving work undertaken again increased, due largely to contracts carried over from the previous year. Earnings were satisfactory on current work, but losses were incurred on the high carry-over volume, due in part to deteriorating labour productivity. We are hopeful that we have corrected the problems encountered in the past year in increasing our participation in the field of highway construction, but the present disturbed state of labour relations in the Toronto area does not encourage us to expect an adequate return from the current year's operations.

## Outlook for the Coming Season

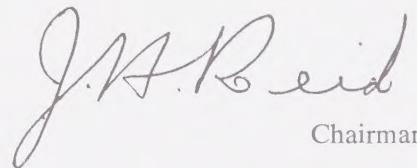
The present uneasy balance between the forces of business expansion and contraction, together

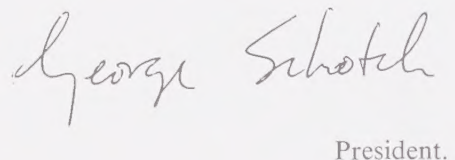
with the existing uncertainty on the future financial and fiscal policies of the government and the delicate international situation make comment even on the immediate future more hazardous than usual.

The volume of business obtained by your company to date is less in most product lines than at the same time last year; the easing of credit and reduction of interest rates, which seemed to be on the way recently, have now somewhat receded; there is little evidence yet of vigorous action by governments at various levels to facilitate and promote sorely needed housing construction; construction awards in Ontario to the end of April were significantly lower than in the same period last year; and the course of current labour negotiations is far from smooth. All these factors have a discouraging effect on our earnings possibilities for the coming year; many of them are entirely outside our control. The exceptional problems and difficulties of the past year have, we hope, been overcome. We, at present, have reason to believe that the low level of earnings experienced last year will not persist during the coming year. Your company is well staffed and equipped to obtain its share of any increased business that may be offered and to continue to provide as always, first class service to our customers with products of the highest quality.

The past year has been an anxious and often a discouraging one for our employees, and we join with the management in expressing our appreciation for their continued co-operation and loyalty, which are so essential to the success of your company's operations.

On behalf of the Board,

  
Chairman.

  
President.

Toronto, Ontario,  
June 1, 1967.

# STANDARD PAVING & MATERIALS

(Incorporated under the laws of Ontario and subsidiary companies)

## CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

Year ended March 31, 1967

	1967	1966
Income from operations before the undernoted items	2,233,103	4,047,220
Income from investments	117,044	110,826
	<u>2,350,147</u>	<u>4,158,046</u>
Deduct		
Directors' fees	8,250	8,300
Depreciation and depletion (note 1)	1,729,020	1,820,063
Interest on long-term debt	26,167	3,332
	<u>1,763,437</u>	<u>1,831,695</u>
Income for the year before income taxes	586,710	2,326,351
Provision for income taxes	445,000	1,177,000
	<u>141,710</u>	<u>1,149,351</u>
Net income for the year (note 1)		235,830
Profit on disposal of property		
	<u>141,710</u>	<u>1,385,181</u>
Net income and special item		
Retained earnings at beginning of year	8,891,701	8,397,975
	<u>9,033,411</u>	<u>9,783,156</u>
Dividends (1967 — 62½ cents, 1966 — 65 cents per share)	640,185	665,792
Excess of cost of shares of subsidiary companies over value attributed to underlying tangible assets		225,663
	<u>640,185</u>	<u>891,455</u>
Retained earnings at end of year	<u>\$8,393,226</u>	<u>\$8,891,701</u>

## AUDITORS' REPORT

To the Shareholders of  
Standard Paving & Materials, Limited

We have examined the consolidated statement of financial position of Standard Paving & Materials, Limited and subsidiary companies as at March 31, 1967 and the consolidated statements of income, retained earnings and source and application of funds for the year then ended. Our examination of the financial statements of Standard Paving & Materials, Limited and those subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. With respect to the subsidiary companies of which we are not the auditors, we have carried out such enquiries and examinations as we considered necessary in order to accept for purposes of consolidation the reports of their auditors.

In our opinion the aforementioned consolidated financial statements present fairly the financial position of the companies as at March 31, 1967 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year except for the change, which we approve, in the basis of computing depreciation as set out in note 1 to the consolidated financial statements.

Toronto, Canada,  
May 24, 1967.

GUNN, ROBERTS & CO.,  
Chartered Accountants.



# MATERIALS, LIMITED

(Incorporated in the laws of Ontario)

Companies

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

March 31, 1967

	1967	1966
<b>CURRENT ASSETS</b>		
Cash .....	28,522	226,188
Bank deposit receipts .....		500,000
Accounts receivable .....	4,718,179	5,721,786
Tender and other deposits .....	495,309	653,502
Mortgages receivable, current portion .....	65,000	28,000
Income taxes recoverable .....	239,960	
Inventories of materials and finished products at the lower of cost and net realizable value .....	1,625,610	1,559,083
Prepaid expenses .....	475,414	359,579
	<u>7,647,994</u>	<u>9,048,138</u>
<b>CURRENT LIABILITIES</b>		
Bank advances .....	1,339,468	
Bank liability on tender accounts .....	407,598	565,901
Accounts payable and accrued .....	3,620,609	4,797,225
Dividend payable April 1 .....	102,430	128,037
Income taxes .....		340,455
Long-term debt, current portion .....	174,052	421,250
	<u>5,644,157</u>	<u>6,252,868</u>
Working Capital .....	2,003,837	2,795,270
MORTGAGES RECEIVABLE, excluding current portion .....	86,647	151,647
SPECIAL REFUNDABLE TAX .....	135,006	
	<u>221,653</u>	<u>151,647</u>
<b>FIXED ASSETS</b>		
Property, plant and equipment at cost .....	30,002,419	28,350,812
Less accumulated depreciation and depletion .....	17,813,416	16,777,462
	<u>12,189,003</u>	<u>11,573,350</u>
	14,414,493	14,520,267
LONG-TERM DEBT, excluding current portion .....	1,080,401	1,075,300
DEFERRED INCOME TAXES .....	1,608,000	1,220,400
	<u>2,688,401</u>	<u>2,295,700</u>
Net Assets .....	<u>\$11,726,092</u>	<u>\$12,224,567</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock		
Authorized — 1,140,240 common shares of no par value		
Issued — 1,024,296 shares .....	3,332,866	3,332,866
Retained earnings .....	8,393,226	8,891,701
Shareholders' Equity .....	<u>\$11,726,092</u>	<u>\$12,224,567</u>

Approved on behalf of the Board:

J. H. REID, Director.

G. SCHOTCH, Director.

STANDARD PAVING & MATERIALS, LIMITED  
and subsidiary companies

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
Year ended March 31, 1967

	1967	1966
FUNDS WERE PROVIDED FROM:		
Operations		
Net income for the year .....	141,710	1,149,351
Add charges not involving a current outlay of funds		
Depreciation and depletion .....	1,729,020	1,820,063
Deferred income taxes .....	387,600	545,600
	<u>2,258,330</u>	<u>3,515,014</u>
Profit on disposal of property .....		235,830
Mortgages receivable — reduction in long-term portion .....	65,000	
Increase in long-term debt (In 1967 relating to purchase of property of \$159,101, less reduction in other long-term debt of \$154,000) ...	5,101	914,500
	<u>2,328,431</u>	<u>4,665,344</u>
FUNDS WERE APPLIED TO:		
Purchase of property, plant and equipment (net) .....	2,344,673	4,744,974
Dividends .....	640,185	665,792
Special refundable tax .....	135,006	
Acquisition of shares of subsidiary companies, less working capital at date of acquisition .....		1,396,504
Increase in mortgages receivable .....		111,647
	<u>3,119,864</u>	<u>6,918,917</u>
Decrease in working capital .....	<u>\$ 791,433</u>	<u>\$2,253,573</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 1967

1. Depreciation for the 1966 and prior fiscal years was computed on a diminishing balance basis. For the year ended March 31, 1967, depreciation is computed on a straight line basis on certain fixed assets. Net income for the 1967 fiscal year is \$380,000 greater than it would have been had the former basis been used.
2. Total direct remuneration of directors and senior officers amounted to \$154,250 (\$149,800 in 1966).



# STANDARD PAVING & MATERIALS, LIMITED

*and subsidiary companies*

	DIRECTORY OF LOCATIONS	PRODUCTS AND SERVICES SUPPLIED
AJAX	Curran & Briggs Ready-Mix Limited	Concrete, builders' supplies
BRANTFORD	Red-D-Mix Concrete Limited	Concrete
BURLINGTON	Red-D-Mix Concrete Limited	Concrete
DELHI	Red-D-Mix Concrete Limited	Concrete
GUELPH	Guelph Sand and Gravel, Company Red-D-Mix Concrete Limited	Sand, Gravel, asphalt mixes Concrete
HALIFAX	Standard Paving Maritime Limited	Paving, asphalt mixes, road building
HAMILTON	Red-D-Mix Concrete Limited Standard Paving, Limited	Concrete, asphalt mixes Paving and road building
KENTVILLE	Standard Paving Maritime Limited	Paving, asphalt mixes, road building
LONDON	Red-D-Mix Concrete Limited Concrete Pipe Company	Concrete Concrete Pipe
MALTON	Consolidated Sand & Gravel, Company	Sand and gravel
MILTON	Red-D-Mix Concrete Limited	Concrete
NIAGARA FALLS	Red-D-Mix Concrete Limited	Concrete
NORTH BAY	City Sand & Gravel Limited North Bay Concrete Supply Company Limited Standard Paving, Limited	Sand and Gravel Concrete Paving and road building, asphalt mixes
OSHAWA	Curran & Briggs Ready-Mix Limited	Concrete, builders' supplies
OTTAWA/HULL	Standard Paving, Limited	Paving and road building, asphalt mixes
PARIS	Consolidated Sand & Gravel, Company	Sand, gravel, asphalt mixes
PICKERING	Consolidated Sand & Gravel, Company	Sand and gravel
ST. CATHARINES	Red-D-Mix Concrete Limited	Concrete
ST. THOMAS	Red-D-Mix Concrete Limited	Concrete
STOUFFVILLE	Consolidated Sand & Gravel, Company	Sand and gravel
SUDBURY	Concrete Pipe Company	Concrete Pipe
TORONTO	Consolidated Sand & Gravel, Company S. McCord & Co. Limited York Block (A. Minghella Limited) Concrete Pipe Company Standard Paving, Limited	Sand, gravel, asphalt mixes Concrete, builders' supplies Concrete block, builders' supplies Concrete pipe Paving and road building
WELLAND	Red-D-Mix Concrete Limited	Concrete

The new ready-mix concrete plant at St. Catharines, Ontario. This is fully automated with a capacity of 150 yards of concrete per hour. Strategically located in the City of St. Catharines, this is one of thirteen concrete plants with which Red-D-Mix Concrete Limited serves south western Ontario.





# Standard Paving & Materials, Limited

48 St. Clair Avenue West

Toronto 7, Ontario

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## NOTICE OF THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE that the Annual General Meeting of the Shareholders of Standard Paving & Materials, Limited will be held in the Library of the Royal York Hotel, 100 Front Street West, Toronto, Ontario, at Eleven o'clock, in the forenoon, Eastern Daylight Time, on Thursday, the 6th day of July, 1967, for the following purposes:

- (i) To receive and consider the financial statements with the report of the Auditors thereon and the report of the Directors for the year ended March 31, 1967.
- (ii) To elect Directors for the ensuing year.
- (iii) To appoint Auditors and authorize the Directors to fix the Auditors' remuneration.
- (iv) To transact such other business as may properly come before the meeting or any adjournment thereof.

DATED at Toronto this 8th day of June, 1967.

T. D. JONES,  
Secretary.

If you do not expect to be present in person at the meeting it will be appreciated if you will complete and return the form of proxy accompanying this notice.

# Standard Paving & Materials, Limited

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## INFORMATION CIRCULAR

### SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation by the management of Standard Paving & Materials, Limited (the Company) of proxies to be used at the Annual Meeting of Shareholders of the Company to be held at the time and place and for the purposes set forth in the notice of meeting. The cost of solicitation will be borne by the Company.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons designated in the enclosed form of proxy are directors of the Company. A shareholder desiring to appoint some other person to represent him at the meeting may do so by striking out the names of the persons designated and by inserting such other person's name in the blank space provided in the form of proxy. A person acting as proxy need not be a shareholder of the Company.

A shareholder who has given a proxy may revoke it by signing written notice of revocation and delivering it to the Secretary of the Company up to the day before the meeting or to the Chairman of the meeting.

### EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, such shares will be voted for the approval of the directors' report and financial statements, and for the election of directors and the appointment of auditors and authorizing the directors to fix the auditors' remuneration, as stated under those headings in this circular. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting, and with respect to other matters which may properly come before the meeting. At the time of printing this circular the management of the Company knows of no such amendments, variations or other matters to come before the meeting other than the matters referred to in the notice of meeting.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF, AND INTEREST IN MATERIAL TRANSACTIONS

The Company has outstanding 1,024,296 shares of no par value each carrying the right to one vote per share. Canada Cement Company, Limited owns 511,673 shares, being 49.95% of the outstanding shares of the Company. In the usual course of business the Company buys a substantial portion of its cement requirements from Canada Cement Company, Limited at prevailing market prices.



The directors and senior officers of the Company do not know of any other person or company beneficially owning, directly or indirectly, more than 10% of the outstanding shares of the Company.

## ELECTION OF DIRECTORS

The board consists of seven directors to be elected annually. The persons named in the enclosed form of proxy intend to vote for the election of the nominees whose names are set forth below, all of whom are now members of the board of directors and have been during the periods indicated. Each director elected will hold office until the next Annual Meeting and until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws.

The following table states the names of all the persons proposed to be nominated for election as directors, all other positions and offices with the Company now held by them, their present principal occupations or employment and any other principal occupations and employments within the five preceding years, the year in which they became directors of the Company, and the approximate number of shares of the Company beneficially owned directly or indirectly by each of them. Mr. R. S. Aiken and Mr. J. B. Hanly are nominated at the request of Canada Cement Company, Limited.

	<u>Became Director</u>	<u>Shares *</u>
R. S. Aiken is a Vice President, Director and Treasurer of Canada Cement Company, Limited, manufacturers of cement.	1963	320
J. B. Hanly is a Vice President of Canada Cement Company, Limited.	1963	600
I. L. Jennings is a Vice President of the Company.	1966	810
D. G. Lawson is President of Moss Lawson & Co. Limited, Investment Dealers. Until December 1965 Mr. Lawson was Vice President of Moss Lawson & Co. Limited.	1965	100
J. H. Reid is Chairman of the Board of the Company. Until July, 1965 Mr. Reid was President of the Company.	1957	100
George Schotch is President of the Company. From November 1964 until July 1965 Mr. Schotch was Executive Vice President of the Company. Prior to November 1964 he was General Manager of Supercrete Limited, Winnipeg, manufacturers of concrete products.	1965	500
J. A. Scythes is Chairman of the Board of Scythes & Company Limited, manufacturers of textile products. Until December 1964 Mr. Scythes was President of Scythes & Company Limited.	1946	360

(\* The information as to shares beneficially owned, not being within the knowledge of the Company, has been furnished by the respective directors individually.)

## REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Aggregate direct remuneration paid or payable by the Company and its subsidiaries in the year ended March 31, 1967 to the directors and senior officers of the Company .....	\$ 154,250
Estimated aggregate cost to the Company and its subsidiaries in the year ended March 31, 1967 of all pension benefits proposed to be paid to the directors and senior officers of the Company under any normal pension plan in the event of retirement at normal retirement age .....	\$ 4,300

## APPOINTMENT OF AUDITORS

The persons named in the enclosed form of proxy intend to vote for the appointment of Messrs. Thorne, Gunn, Helliwell and Christenson, Chartered Accountants, Toronto, as auditors of the Company, to hold office until the next Annual Meeting of Shareholders and to authorize the Board to fix their remuneration. Messrs. Thorne, Gunn, Helliwell and Christenson are successors to Messrs. Gunn, Roberts and Co. who have been auditors of the Company for more than five years.

By order of the Board of Directors,

T. D. JONES,  
Secretary.

Toronto, Ontario,  
June 1, 1967.